

rule of law, that fight corruption, and that protect the rights of all political opposition parties, and that is exactly what this bill does.

Mr. SIREs. Mr. Speaker, I yield 2 minutes to the gentleman from Texas (Mr. GONZALEZ), a member of the Financial Services Committee.

Mr. GONZALEZ of Texas. Mr. Speaker, I rise today to express my concern with H.R. 1918, the Nicaraguan Investment Conditionality Act of 2017.

Today, I stand with the people of Nicaragua and the people of south Texas. Nicaragua has been our partner to the south. They work with us to combat drug trafficking, limit irregular migration, and make our region and our world a safer place. Nicaragua today is the safest country in Central America.

□ 1500

I agree, we must be vigilant in monitoring Nicaragua's transition to democracy. However, we must recognize that enacting this bill could have serious consequences on the region.

NICA could strain our alliance with Nicaragua, and it could lead to instability, irregular immigration to the United States, to my border district, and an increase in criminal activity. My district was ground zero for the last immigration surge, and I would like to prevent that from happening again.

Nicaragua has its economic and political challenges, but it has taken steps to address poverty, climate change, and to grow its economy. How can we, in good conscience, support a measure that would punish the poorest country in Central America and the second poorest in the Western Hemisphere?

Moreover, Nicaragua stands with America and our allies against the rogue nation of North Korea. We cannot compare Nicaragua to Venezuela.

While we must hold countries accountable, we should bring them in rather than shut them out. We have the ability to guide these nations to embrace democracy and condemn bad actors.

Lastly, I want to make clear that this is not an endorsement of the Sandinistas or any other regime. Today I speak for the less fortunate in Nicaragua who suffer the most from NICA.

Mr. Speaker, I look forward to working with my colleagues to find a solution to this complex issue.

Mr. ROYCE of California. Mr. Speaker, I yield myself 2 minutes.

Mr. Speaker, I think it is important, when we consider the challenge that we have here, the Carter Center was involved in Nicaragua trying to oversee the election there. They came to the conclusion that the election was not transparent. The elections were not fair in Nicaragua.

The European Union was engaged in trying to monitor those elections. Again, the same conclusion.

The Organization of American States, it is the standard or it is the or-

ganization representing all of the governments in this hemisphere, they again raised the same issue.

When we think what we are trying to do here, the goal is, first, any loans that go to the benefit of the people of Nicaragua, that is exempt anyway. From the humanitarian standpoint, we want them to have the loans. But if we are going to make a loan that benefits the head of state or the government and, as part of that, we put the same conditions that the OAS puts on member loans, the same conditions that we put on other countries with respect to the rule of law or with respect to transparency and free and fair elections, I don't think that that is unusual in the least. As a matter of fact, those are the conditions we apply.

The attempt to focus on this and our frustration with it is to give that added boost, just as the Carter Center is trying to do, just as the European Union is trying to weigh in, just as the OAS is suggesting as we go forward that there be these reforms and transparency. I think it is proper that this institution does the same. I think the carve-out we put in the bill for humanitarian aid addresses the other issues.

So from that standpoint, I think it is necessary for us to do what we can at this time to nudge this back toward free and fair elections.

Mr. SIREs. Mr. Speaker, I again want to thank Chairman ROYCE, Ranking Member ENGEL, and mi hermana from Florida, my sister, ILEANA ROS-LEHTINEN, for their work on this bipartisan measure and for their commitment to democracy in the Western Hemisphere. They have skillfully crafted the NICA Act to hold President Ortega accountable, while ensuring that the Nicaraguan people do not suffer. I am glad that we are advancing this measure, and I urge my colleagues to support it.

Mr. Speaker, I yield back the balance of my time.

Mr. ROYCE of California. Mr. Speaker, I yield myself such time as I may consume.

In summing up here, the focus of this legislation is clearly to seek to end a practice which many in the international community find a vexing one, and that is it tries to ensure that the loans that are given to the Government of Nicaragua meet certain democratic benchmarks before issuing any loans that would specifically benefit those in the government. There is a carve-out, as I shared, for any humanitarian loans.

I think the reason this approach has gained bipartisan support is because the United States, in this instance, will be engaged still, but engaged in a way where we are not encouraging corruption. I say that because it pushes Nicaragua to allow for free and transparent elections, and that should be our goal. That is the goal of other election observers who have been involved in the past and have expressed their concerns about the state of play there.

Mr. Speaker, I thank the authors, and I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from California (Mr. ROYCE) that the House suspend the rules and pass the bill, H.R. 1918, as amended.

The question was taken; and (two-thirds being in the affirmative) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

COMMUNICATION FROM THE CLERK OF THE HOUSE

The SPEAKER pro tempore laid before the House the following communication from the Clerk of the House of Representatives:

OFFICE OF THE CLERK,
HOUSE OF REPRESENTATIVES,
Washington, DC, October 3, 2017.

Hon. PAUL D. RYAN,
The Speaker, House of Representatives,
Washington, DC.

DEAR MR. SPEAKER: Pursuant to the permission granted in Clause 2(h) of Rule II of the Rules of the U.S. House of Representatives, the Clerk received the following message from the Secretary of the Senate on October 3, 2017, at 9:28 a.m.:

That the Senate passed S. 396.

That the Senate passed with amendment H.R. 1616.

With best wishes, I am,
Sincerely,

KAREN L. HAAS.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. The Chair will remind all persons in the gallery that they are here as guests of the House and that any manifestation of approval or disapproval of proceedings is in violation of the rules of the House.

MUNICIPAL FINANCE SUPPORT ACT OF 2017

Mr. HUIZENGA. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 1624) to require the appropriate Federal banking agencies to treat certain municipal obligations as level 2A liquid assets, and for other purposes, as amended.

The Clerk read the title of the bill.

The text of the bill is as follows:

H.R. 1624

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Municipal Finance Support Act of 2017".

SEC. 2. TREATMENT OF CERTAIN MUNICIPAL OBLIGATIONS.

(a) *IN GENERAL.*—Section 18 of the Federal Deposit Insurance Act (12 U.S.C. 1828) is amended—

(1) *by moving subsection (z) so that it appears after subsection (y); and*

(2) *by adding at the end the following:*

“(aa) TREATMENT OF CERTAIN MUNICIPAL OBLIGATIONS.—

“(1) IN GENERAL.—For purposes of the final rule titled ‘Liquidity Coverage Ratio: Liquidity Risk Measurement Standards; Final Rule’ (79 Fed. Reg. 61439; published October 10, 2014) (the ‘Final Rule’) and any other regulation which incorporates a definition of the term ‘high-quality liquid asset’, the appropriate Federal banking agencies shall treat a municipal obligation that is both liquid and readily marketable (as defined in the Final Rule) and investment grade as of the calculation date as a high-quality liquid asset that is no lower than a level 2B liquid asset.

“(2) DEFINITIONS.—For purposes of this subsection:

“(A) INVESTMENT GRADE.—With respect to an obligation, the term ‘investment grade’ has the meaning given that term under part 1 of title 12, Code of Federal Regulations.

“(B) MUNICIPAL OBLIGATION.—The term ‘municipal obligation’ means an obligation of a State or any political subdivision thereof, or any agency or instrumentality of a State or any political subdivision thereof.”

(b) AMENDMENT TO LIQUIDITY COVERAGE RATIO REGULATIONS.—Not later than the end of the 3-month period beginning on the date of the enactment of this Act, the Federal Deposit Insurance Corporation, the Board of Governors of the Federal Reserve System, and the Comptroller of the Currency shall amend the final rule titled ‘Liquidity Coverage Ratio: Liquidity Risk Measurement Standards; Final Rule’ (79 Fed. Reg. 61439; published October 10, 2014) to implement the amendments made by this Act.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Michigan (Mr. HUIZENGA) and the gentlewoman from California (Ms. MAXINE WATERS) each will control 20 minutes.

The Chair recognizes the gentleman from Michigan.

GENERAL LEAVE

Mr. HUIZENGA. Mr. Speaker, I ask unanimous consent that all Members have 5 legislative days to revise and extend their remarks and to include extraneous material on this bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. HUIZENGA. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise today in support of much-needed legislation that would simply fix a 2014 rule by financial regulators and allow municipal bonds to be considered as level 2B liquid assets, at a minimum, for purposes of calculating total high-quality liquid assets, or HQLAs, under the liquidity coverage ratio. The Municipal Finance Support Act is a bipartisan piece of legislation that passed unanimously out of committee, showing its clear need.

Municipal securities are frequently issued by the transportation, housing, and healthcare authorities of State and local governments to raise funds to pay for projects ranging from bridges and schools to hospitals and recreational facilities. Excluding municipal securities from treatment as HQLAs will result in higher borrowing costs for State and local governments during times of economic stress.

Furthermore, there is no reason why high-quality liquid bonds issued by the United States and municipalities

should receive a lower standing than foreign sovereign debt with equivalent or, frankly, even lesser credit quality and market liquidity.

Finally, disincentivizing financial institutions from holding investment-grade municipal securities could cause banks to retreat from the \$3.8 trillion market, thereby forcing State and local governments to scale back pending projects on roads, schools, and other infrastructure projects financed with the bonds. Classifying investment-grade municipal securities as HQLAs will ensure low-cost infrastructure financing remains available for State and local governments.

Although the Federal Reserve has issued an amended rule allowing municipal bonds to count as HQLAs for some banks, neither the OCC nor the FDIC have acted to follow the Fed's lead in amending their HQLA definitions to include these municipal securities. Their inaction creates a split regulatory system in which the treatment of municipal securities for the purpose of measuring the liquidity of the bank's holdings depends entirely upon who the regulator is.

Mr. Speaker, I urge my colleagues to support this bill, and I reserve the balance of my time.

Ms. MAXINE WATERS of California. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, H.R. 1624, offered by Mr. MESSER and Mrs. MALONEY, represents a bipartisan effort to ensure that certain financial institutions will continue to hold municipal securities, while also supporting the spirit of an important bank guardrail in the Dodd-Frank Wall Street Reform and Consumer Protection Act.

Bank regulators promulgated the liquidity coverage rule to ensure that megabanks have a minimum number of assets that they could sell, even in the worst markets. The rule permits banks to count assets like Treasury securities, GSE debt, and investment-grade corporate securities towards the pool. Regulators found that these securities could be sold even in stressed environments, thereby allowing a megabank to weather the storm of an economic crisis. This rule, known as the liquidity coverage rule, is an important tool for banking regulators to guard against the type of contagion we saw during the financial crisis.

However, the bank regulators excluded all municipal securities because they concluded that municipal securities, as a class, are difficult to sell in stressed markets. This may be generally true, but the investment-grade debt of my State of California has lots of buyers and sellers and has a liquidity profile similar to many corporate securities. So it makes sense that, if there are municipal securities like California's debt that meet the same eligibility standards as other corporate securities, they should also be counted toward a bank's liquid assets under the rule.

The Federal Reserve quickly recognized this problem and has since adopted a correction to permit bank holding companies under its jurisdiction to treat municipal securities that are liquid, market ready, and investment grade the same as similar corporate securities.

This bill, as amended, takes the relief adopted by the Federal Reserve and extends it to banks regulated by the Office of the Comptroller of the Currency and the Federal Deposit Insurance Corporation. It isn't clear to me just how many municipalities will benefit from this legislation, and I imagine most would not, but even if only a handful of our States and cities qualify, the bill is worth passing because it could help to reduce financing costs for those governments.

Mr. Speaker, I appreciate Mrs. MALONEY's hard work and bipartisan efforts on this bill, and I reserve the balance of my time.

Mr. HUIZENGA. Mr. Speaker, I yield 5 minutes to the gentleman from Indiana (Mr. MESSER), the sponsor of this legislation.

Mr. MESSER. Mr. Speaker, I want to thank my coauthor on this bill, Congresswoman MALONEY, for her great leadership on this legislation, as well as Chairman HUIZENGA, Chairman HENSARLING, Ranking Member WATERS, and the entire Financial Services Committee team for their hard work on this important legislation.

Mr. Speaker, it is a rare occasion in Washington when Republicans and Democrats can come together and get behind a change to the banking regulations, but we stand here today behind H.R. 1624 because the banking regulators, frankly, well, they messed it up. They created a rule that gives foreign municipalities a competitive advantage over our American cities and towns, and this advantage is hurting our communities.

Mr. Speaker, this legislation is really quite simple. It will help cities and towns in my State and across the United States save money on roads and bridges and schools. President Trump has made rebuilding our infrastructure a priority for our Nation, and this bipartisan bill paves the way for this type of investment by lowering the price tag for roads and bridges.

H.R. 1624 reverses a backwards banking regulation that makes it more expensive for U.S. municipalities to finance infrastructure projects. Specifically, the bill will amend the regulation to enable more banks to hold municipal bonds to cover their liquidity requirements. This change should reduce the cost of borrowing for cities and towns across the country. Ultimately, this bill helps taxpayers by making it cheaper to finance infrastructure projects.

H.R. 1624 will help blue States and red States alike, and that is why you have seen such overwhelming bipartisan support for this in the Halls of Congress. The bill passed the Financial

Services Committee unanimously this summer, and very similar legislation passed the Chamber by a voice vote last year.

□ 1515

Still we have got more work to do, and there is now momentum in the Senate to get H.R. 1624 across the finish line.

The bill is also supported by numerous outside advocacy groups, including the National Governors Association, the Government Finance Officers Association, the National League of Cities, the National Association of State Treasurers, the U.S. Conference of Mayors, and even the State treasurer from my home State of Indiana, my good friend, Kelly Mitchell.

Mr. Speaker, today we take the first step in this process in the House toward reversing this backwards regulation, and I urge all my colleagues to support this bipartisan bill.

Ms. MAXINE WATERS of California. Mr. Speaker, I yield myself such time as I may consume, and I thank Mr. MESSER for his leadership on this legislation.

He is absolutely correct. He worked very closely with Mrs. MALONEY. This is a bipartisan bill. He correctly stated that we do sometimes get together and work on issues in ways that we can be helpful, not only to our constituents in general but to cities and towns. We have talked an awful lot about wanting to improve our infrastructures, and this is one way that it certainly can be done.

I would like to point out again the Federal Reserve's role in this because of the way that they recognized the problem and what they did to adopt a correction to the problem. So this bill again, as amended, takes the relief adopted by the Federal Reserve.

Again, this is a case where we had Members who understood this problem, moved forward on it, and recognized that the Federal Reserve also recognized the problem. When you have several entities who have recognized a problem, it certainly makes good sense and good public policy for everybody to come together to correct it. So with the Federal Reserve having come forward and adopting this relief, it means that it is extended to banks regulated by the Office of the Comptroller of the Currency and the Federal Deposit Insurance Corporation.

Again, I wish I could say that every city in the United States would benefit from it, but not all will. Not all need it. But for those who do, I think it is important for us to recognize that when we have the opportunity to come together and to help any part of our country, and when it is very easy to do so, I think we should do it. So I am very pleased that we have been able to do that.

Mr. Speaker, I yield such time as she may consume to the gentlewoman from New York (Mrs. CAROLYN B. MALONEY), who is the lead Democratic cosponsor of this bill.

Mrs. CAROLYN B. MALONEY of New York. Mr. Speaker, I thank the ranking member for yielding and for her leadership on this issue and so many others.

I strongly support the bill, and I would like to thank my good friend from Indiana (Mr. MESSER) for his leadership.

We introduced this bill in order to level the playing field for our cities and States by requiring the banking regulators to treat certain municipal bonds as liquid assets, just like corporate bonds, stocks, and other assets.

As a former member of the city council in New York, I know firsthand the importance of municipal bonds. They allow States and cities to finance infrastructure, build schools, pave roads, and build subways. They are all financed with municipal bonds.

Unfortunately, in the banking regulators' liquidity rule—which requires banks to hold a minimum amount of liquid assets—they chose to allow corporate bonds to qualify as liquid assets, but completely excluded municipal bonds—even municipal bonds that are just as liquid and high-grade as corporate bonds.

This makes no sense, and it effectively discriminates against municipal bonds and cities. A municipal bond that is just as liquid as the most liquid corporate bond would not be counted as a liquid asset under the rule just because it was issued by a municipality rather than a corporation.

The Fed has already recognized this error and has amended its rule to fix the problem. But the OCC, which regulates national banks, is still refusing to amend its rule and insists on favoring corporations over municipalities. So Mr. MESSER and I introduced this bill because this kind of arbitrary discrimination against municipalities cannot be allowed to continue.

So in sum, this bill levels the playing field for cities and States in a way that maintains the safety and soundness of our banking system. The bill passed the Financial Services Committee 60-0 in July, and last Congress the bill passed the full House by a voice vote.

So I urge my colleagues to, once again, support this bipartisan legislation which is critically important for our States and our cities.

Ms. MAXINE WATERS of California. Mr. Speaker, I yield back the balance of my time.

Mr. HUIZENGA. Mr. Speaker, I rise in support of H.R. 1624. I commend my ranking member from the Subcommittee on Capital Markets, Securities, and Investments, Mrs. MALONEY, as well as the work from my colleague from Indiana.

This is a commonsense, no-nonsense, bipartisan solution to a mistake that was made by regulators. We need to grant clarity and harmony to those who are borrowing those dollars, those municipalities, States, and cities, as well as the investors and those who hold these bonds.

Mr. Speaker, I appreciate the opportunity to be here. I am pleased that we can support H.R. 1624, and I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Michigan (Mr. HUIZENGA) that the House suspend the rules and pass the bill, H.R. 1624, as amended.

The question was taken; and (two-thirds being in the affirmative) the rules were suspended and the bill, as amended, was passed.

The title of the bill was amended so as to read: "A bill to require the appropriate Federal banking agencies to treat certain municipal obligations as no lower than level 2B liquid assets, and for other purposes."

A motion to reconsider was laid on the table.

PROVIDING RESOURCES, OFFICERS, AND TECHNOLOGY TO ERADICATE CYBER THREATS TO OUR CHILDREN ACT OF 2017

Mr. GOODLATTE. Mr. Speaker, I move to suspend the rules and pass the bill (S. 782) to reauthorize the National Internet Crimes Against Children Task Force Program, and for other purposes, as amended.

The Clerk read the title of the bill.

The text of the bill is as follows:

S. 782

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Providing Resources, Officers, and Technology To Eradicate Cyber Threats to Our Children Act of 2017" or the "PROTECT Our Children Act of 2017".

SEC. 2. REAUTHORIZATION OF THE NATIONAL INTERNET CRIMES AGAINST CHILDREN TASK FORCE PROGRAM.

Title I of the PROTECT Our Children Act of 2008 (42 U.S.C. 17601 et seq.) is amended in section 107(a)(10) (42 U.S.C. 17617(a)(10)), by striking "fiscal year 2018" and inserting "each of fiscal years 2018 through 2022".

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Virginia (Mr. GOODLATTE) and the gentlewoman from Texas (Ms. JACKSON LEE) each will control 20 minutes.

The Chair recognizes the gentleman from Virginia.

GENERAL LEAVE

Mr. GOODLATTE. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and include extraneous material on S. 782, currently under consideration.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Virginia?

There was no objection.

Mr. GOODLATTE. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I am pleased today that we are voting to reauthorize the Prosecutorial Remedies and Other Tools to